

**Exhibit B**

**Blackline of Amended NewCo/TopCo Governance Term Sheet**

## **NEWCO/TOPCO GOVERNANCE TERM SHEET**

### **INTRODUCTION**

This term sheet (the “**NewCo/TopCo Governance Term Sheet**”) sets forth certain salient governance terms relating to NewCo and TopCo in connection with a proposed chapter 11 plan (the “**Plan**”) for Purdue Pharma L.P. (“**PPLP**”) and its affiliates that are debtors and debtors in possession (collectively, “**Purdue**” or the “**Debtors**”).<sup>1</sup> This NewCo/TopCo Governance Term Sheet does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documentation governing NewCo and TopCo. The Plan will not contain any terms or conditions that are materially inconsistent with this NewCo/TopCo Governance Term Sheet.

<b>Purpose and Covenants</b>	NewCo shall operate in accordance with the terms of section 5.4(b) of the Plan and shall be subject to the NewCo Operating Injunction and the NewCo Governance Covenants (NewCo’s “ <b>Purpose</b> ”).
<b>Minimum TopCo Distribution</b>	<p>NewCo shall use best efforts to make TopCo Distributions from NewCo Excess Cash in an aggregate amount of \$850 million<sup>2</sup> (<i>less</i> amounts distributed by the Debtors on the Effective Date pursuant to the Initial NOAT Distribution and the Initial Tribe Trust Distribution) consisting of an aggregate amount of \$50 million through January 15, 2023, an incremental aggregate amount of \$200 million through January 15, 2024 and an incremental aggregate amount of \$300 million through January 15, 2025, <i>plus</i> any NewCo Excess Cash from potential asset sales or incremental cash flows from performance improvement initiatives (the “<b>Minimum TopCo Distribution</b>”) in order to fulfill NewCo’s Purpose of effective deployment of its assets to abate the opioid crisis; <i>provided, however,</i> that, in seeking to fund the Minimum TopCo Distribution, the NewCo Board shall consider (i) NewCo Operating Expenses and (ii) NewCo’s Purpose.</p> <p>NewCo shall use best efforts to make the Minimum TopCo Distribution from available funds (including excess cash from operations, asset sale proceeds and proceeds from financings) constituting NewCo Excess Cash by January 15, 2025. The Minimum TopCo Distribution shall be deemed satisfied and reduced by all TopCo Distributions and any transfers of NewCo Available Cash and Net Sale Proceeds to the Master Disbursement Trust to fund any obligations to the Master Disbursement Trust in respect of the NewCo/TopCo Guarantee Agreement. Subject to the NewCo Priority Waterfall, NewCo shall make TopCo Distributions of NewCo Excess Cash on each NewCo Distribution Date.</p>
<b>NewCo Disposition Event</b>	As described below, the NewCo Managers and TopCo Managers shall pursue a transaction or series of transactions to sell the assets of NewCo and/or sell, transfer, or contribute TopCo’s equity interests in NewCo (such event, the “ <b>NewCo Disposition Event</b> ”). The NewCo Disposition Event may consist of one or more sales of assets or sales of equity through public or private markets, and may involve commercial buyers or non-profit buyers. In pursuing such a NewCo Disposition Event, the NewCo Managers and TopCo Managers shall consider which transactions best achieve

<sup>1</sup> Capitalized terms used but not otherwise defined in this NewCo/TopCo Governance Term Sheet shall have the meanings ascribed to such terms in the Plan.

<sup>2</sup> As adjusted by the impact of debt, if applicable.

	<p>NewCo's Purpose, taking into account fulfilling the Minimum TopCo Distribution, application of proceeds, and whether the buyers will continue to deploy the purchased assets/securities in furtherance of NewCo's Purpose and the NewCo Governance Covenants.</p> <p>Within 120 days of the Effective Date, the board of NewCo (the "<b>NewCo Board</b>") shall retain one or more recognized, independent investment bankers or similar professionals (the "<b>NewCo Disposition Advisors</b>") to advise on the relative merits of potential transactions to effectuate the Minimum TopCo Distribution and the NewCo Disposition Event, it being understood and agreed that while the board of NewCo Managers (the "<b>NewCo Board</b>") and the board of TopCo Managers (the "<b>TopCo Board</b>") are free to retain advisors to effectuate asset sales and a NewCo Disposition Event on terms they choose, the NewCo Disposition Advisor shall not be retained to effectuate any such transaction on a "success fee" or similar basis in order to avoid a conflict of interest in such NewCo Disposition Advisor's analysis of the merits of any such transaction(s). By the later of December 31, 2021 and six months following the Effective Date, and semi-annually thereafter, the NewCo Board, working with the NewCo Disposition Advisors, shall provide to TopCo, who shall report to NOAT, and the Master Disbursement Trust, a report (the "<b>NewCo Strategic Options Report</b>") assessing and recommending strategic options to effectuate the Minimum TopCo Distribution and the NewCo Disposition Event, including, for example, sales of NewCo Transferred Assets, financings, sales of NewCo to a commercial buyer or a non-profit organization, initial public offering opportunities, or private equity transactions. The report shall address the market for these opportunities and likely valuations, potential to maximize near-term proceeds and long-term value, tax implications, and the effect of any transaction on the continuation of NewCo's stated Purpose and the NewCo Governance Covenants, including the likelihood of the continuation of the Public Health Initiatives. The report shall also include recommendations for implementing these strategic options consistent with the timing set out below. The NewCo Strategic Options Report shall also address how the NewCo Disposition Event would be implemented in coordination with the funding of the Minimum TopCo Distribution.</p> <p>Any transaction involving the opioid assets must include an agreement satisfactory to the NewCo Board <u>and TopCo Board</u> that the <u>purchasertransferee</u> shall be bound by <u>(and will not transfer such assets to any subsequent transferee that does not so agree to be bound by and to similarly bind its transferees to)</u> the applicable terms of the NewCo Operating Injunction and the NewCo Governance Covenants.</p> <p>The NewCo Managers and TopCo Managers shall use best efforts to complete the Minimum TopCo Distribution and the NewCo Disposition Event by <b>December 31, 2024</b>. The deadline to complete the NewCo Disposition Event may be extended only by no less than a two-thirds (2/3) majority determination of the TopCo Managers, taking into account NewCo's stated Purpose, after providing thirty (30) days' written notice to the Attorneys General and other designated governmental and tribal representatives, explaining why such an extension is considered appropriate and advances the public interest. There shall be a maximum of two, one-year extensions of the time for completion of the NewCo Disposition Event. The NewCo Managers shall report to the TopCo Managers every three months after an extension regarding the status of continuing efforts to effectuate the Minimum TopCo Distribution and the NewCo Disposition Event and whether one further extension is appropriate to protect or advance the public interest asserted in the initial extension. In considering the</p>
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	NewCo Disposition Event, NewCo Managers may consider alternative transactions, including contributing NewCo's assets to a non-profit entity, converting NewCo to a not-for-profit entity, or if NewCo's financial situation requires, winding down NewCo. Likewise, the TopCo Managers and the NewCo Managers may consider selling, transferring, or otherwise contributing TopCo's equity interest in NewCo to effectuate the NewCo Disposition Event.
<b>NewCo Governance Principles</b>	<p>The NewCo Managers shall not be required to maximize sales or profits, but rather shall be allowed to take all elements of NewCo's Purpose into account.</p> <p>For the avoidance of doubt, in balancing the interests of NewCo's equityholders prior to implementation of the NewCo Disposition Event, the NewCo Managers shall give priority to funding the Minimum TopCo Distribution for the purpose of devoting funds to statewide opioid abatement programs.</p> <p><u>NewCo will be required to be operated in a responsible and sustainable manner taking into account the public interest in transparency regarding NewCo.</u></p>
<b>Reporting Requirements</b>	The NewCo Managers shall prepare (i) semi-annual public benefit reports to be published publicly, which shall describe the effectuation of NewCo's Purpose, the short-term and long-term value being created by NewCo and the public benefits being achieved consistent with NewCo's Purpose, and (ii) semi-annual financial and operating reports to be delivered to TopCo and NOAT.
<b>Transition Protocol</b>	<p>The Ad Hoc Committee and Debtors will cooperate and agree to a transition protocol to be enacted once the Confirmation Order has been entered to ensure the Debtors operate pursuant to <u>this</u><u>the applicable terms of the</u> NewCo/TopCo Governance Term Sheet and the NewCo Managers and TopCo Managers are enabled to effectively manage their respective entities upon emergence. The Debtors will provide mutually agreed upon bi-weekly reporting to the Ad Hoc Committee advisors for the time period between entry of the Confirmation Order and the Effective Date.</p> <p>Once the Confirmation Order has been entered, the Debtors will agree to allow one mutually agreed observer at full board meetings, who can be excluded in the Debtors' sole and absolute discretion for privilege, bankruptcy, creditor or stakeholder specific or any other considerations not related to the overall commercial activities and operations of the Debtors or the transition to NewCo.</p>
<b>NewCo Operating Agreement</b>	The NewCo Operating Agreement shall, among other things, (i) provide that NewCo shall operate in a manner consistent with, and in furtherance of, its Purpose and the terms hereof, (ii) obligate the NewCo Managers and NewCo to regularly evaluate whether NewCo's conduct of its business constitutes the optimal method or methods of fulfilling its Purpose, (iii) provide for the terms of the Minimum TopCo Distribution set forth in this NewCo/TopCo Governance Term Sheet, (iv) provide for implementation of the NewCo Disposition Event, (v) provide for the reporting requirements set forth in this NewCo/TopCo Governance Term Sheet and (vi) address how NewCo may respond to any patent-related issues associated with OxyContin. <sup>3</sup>
<b>Public Health</b>	NewCo shall continue to support the development of Public Health Initiative products on terms to be set forth in the NewCo Operating Agreement, which will be consistent with the States' respective priorities in their opioid abatement programs; <i>provided</i> that, from June 30, 2021 until satisfaction of the Minimum TopCo Distribution, the

<sup>3</sup> Post-Effective Date treatment of patents to be the subject of further discussion.

<b>Initiative Development Budget</b>	<p>budget for direct research and development spending in support of such Products shall not exceed \$50 million (the “<b>Public Health Initiative Development Budget</b>”), it being understood and agreed that other related costs and expenses, such as overhead allocations and medical affairs expenses, shall not be part of the Public Health Initiative Development Budget. Any costs of providing the Public Health Initiative products below cost will additionally be credited against the Public Health Initiative Development Budget.</p> <p>The NewCo Board and the TopCo Board shall periodically evaluate the efficacy of the Public Health Initiative projects. The TopCo Board’s evaluation shall consider the extent to which the Public Health Initiative projects will be value accretive to the interests of TopCo’s members. Following satisfaction of the Minimum TopCo Distribution and through the NewCo Disposition Event, the NewCo Board, with the consent of the TopCo Board, may expand the Public Health Initiative Development Budget by up to an additional \$35 million. Following the NewCo Disposition Event, NewCo’s investment in Public Health Initiative products shall no longer be limited by the Public Health Initiative Development Budget, <del>and any</del> <u>Any</u> acquirer of assets from NewCo shall not be limited by the Public Health Initiative Development Budget.</p> <p>Consistent with NewCo’s Purpose, the NewCo Managers shall determine the most effective means by which to utilize funds budgeted for Public Health Initiative projects and to otherwise comply with the NewCo Governance Covenants.</p>
<b>Injunctive Relief and Best-in-Class Compliance Systems</b>	<p>At all times from and after the Effective Date, NewCo and any purchaser of NewCo’s opioid-related assets shall remain subject to the NewCo Operating Injunction and the NewCo Governance Covenants. In addition, the NewCo Managers shall be required to adopt the best-in-industry compliance systems designed to ensure that all of NewCo’s Products are sold and distributed in the safest manner possible and without diversion.</p> <p>TopCo shall be responsible for the selection of any replacement of the NewCo Monitor, if any, required after Effective Date.</p>
<b>NewCo Managers</b>	<p>In the event of a vacancy on the NewCo Board, either as a result of death, resignation or removal by TopCo (acting through the TopCo Managers), TopCo (acting through the TopCo Managers) may fill such vacancy.</p> <p>Any or all NewCo Managers can be removed at any time and without cause by the sole voting member of NewCo.</p> <p>For the avoidance of doubt, the holders of Interests in the Debtors or their Related Parties (other than the Debtors) shall have no role in the appointment of any of the TopCo Managers, the NewCo Managers, the Creditor Trustees for NOAT and the Tribe Trust or the MDT Trustees, or any other role relating to TopCo, NewCo, NOAT, the Tribe Trust or the Master Disbursement Trust.</p>

<b>TopCo Operating Agreement</b>	Prior to the Effective Date, the holders of membership interests in TopCo shall execute a limited liability company operating agreement (the “ <b>TopCo Operating Agreement</b> ”), that will, among other things, establish and delineate the terms and conditions with respect to the operation of TopCo, the selection process for the TopCo Managers and the rights, duties, and obligations of the TopCo Managers with respect to TopCo and NewCo, consistent with the terms hereof.
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<b>TopCo Managers</b>	<p>[It is contemplated that one Creditor Trustee for NOAT will serve as a TopCo Manager.]</p> <p>In the event of a vacancy on the TopCo Board, either as a result of death, resignation or removal by the NOAT (acting as the sole voting member), the Creditor Trustees for NOAT shall fill such vacancy with a disinterested and independent manager.</p> <p>Any or all TopCo Managers can be removed at any time and without cause by the sole voting member of TopCo.</p> <p>The TopCo Managers shall be charged with working with the NewCo Managers to effectuate the Minimum TopCo Distribution and a NewCo Disposition Event in a manner consistent with NewCo's Purpose.</p>
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